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FISCAL IMPACT STATEMENT

LS 6845

BILL NUMBER: HB 1559

NOTE PREPARED: Jan 9, 2013

BILL AMENDED:

SUBJECT: PERF and TRF ASA Distributions.

FIRST AUTHOR: Rep. Carbaugh

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires the Indiana State Teachers' Retirement Fund (TRF) and the Public Employee's Retirement Fund (PERF) to send a member information explaining the distribution options available for the member's annuity savings account (ASA) not later than 10 days after receiving the member's request for an application for retirement benefits. It requires TRF and PERF to process and pay a member's request for a lump sum or rollover distribution of the member's ASA not later than the later of: (1) 90 days after receiving the member's distribution choice; or (2) 10 business days after the member's last day of service.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The Indiana Public Retirement System (INPRS) oversees both the PERF and TRF funds. Currently INPRS does not process ASA distributions prior to a member's separation from employment. Separation of employment occurs if a member leaves PERF- or TRF-covered employment and does not return to employment with any participating employer within 30 days of the date of termination.

The bill's requirements are within INPRS' routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels. If any additional costs are generated from this provision, they will not directly translate to any increases in state or local expenditures for member benefits. The bill directly affects PERF and TRF administrative costs, which are typically paid using investment income from the funds.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: INPRS.

Local Agencies Affected:

Information Sources: INPRS Member Information (<http://www.in.gov/inprs/takingyourasa.htm>;
<http://www.in.gov/inprs/trfmbrhandbookasa.htm>).

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